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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

Case No. 19-30088 (DM)
Chapter 11
(Lead Case) (Jointly Administered)

**EX PARTE MOTION OF DEBTORS PURSUANT TO
B.L.R. 9006-1 REQUESTING ORDER SHORTENING
TIME FOR HEARING ON DEBTORS' MOTION
PURSUANT TO 11 U.S.C. §§ 363(b) AND 105(a) AND
FED. R. BANKR. P. 6004 AND 9019 FOR ENTRY OF
AN ORDER (I) AUTHORIZING THE DEBTORS TO
SETTLE THE CLAIMS OF TUBBS PREFERENCE
CLAIMANTS AND (II) GRANTING RELATED
RELIEF**

Related Document: Dkt. 5282

[No hearing requested]

1 PG&E Corporation and Pacific Gas and Electric Company, as debtors and debtors in
2 possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases
3 (the “**Chapter 11 Cases**”), hereby submit this Motion (the “**Motion to Shorten**”), pursuant to Rule
4 9006-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Northern
5 District of California (the “**Bankruptcy Local Rules**”), for entry of an order shortening time for a
6 hearing on January 21, 2020, at 10:00 a.m. (prevailing Pacific Time), on the *Debtors’ Motion*
7 *Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and Fed. R. Bankr. P. 6004 and 9019 for Entry of an*
8 *Order (i) Authorizing the Debtors to Settle the Claims of Tubbs Preference Claimants and (ii)*
9 *Granting Related Relief* (the “**Tubbs Settlement Motion**”), filed contemporaneously herewith. The
10 Debtors request that any responses or objections to the Tubbs Settlement Motion be in writing and
11 filed with the Court and served by 4:00 p.m. (prevailing Pacific Time) on January 15, 2020.

12 In support of this Motion to Shorten, the Debtors submit the Declaration of Jessica
13 Liou (the “**Liou Declaration**”), filed contemporaneously herewith. A proposed form of order
14 granting the relief requested herein will be uploaded contemporaneously herewith.

15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 **I. JURISDICTION**

17 The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and
18 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order
19 24 (N.D. Cal.), and Bankruptcy Local Rule 5011-1(a). This is a core proceeding pursuant to 28
20 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

21 **II. BACKGROUND**

22 On January 29, 2019, the Debtors commenced with the Court voluntary cases under
23 chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage
24 their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy
25 Code. No trustee or examiner has been appointed in either of the Chapter 11 Cases. The Debtors’
26 Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to
27 Bankruptcy Rule 1015(b).

28 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an

1 Official Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019,
2 the U.S. Trustee appointed an Official Committee of Tort Claimants (the “**TCC**”).

3 Additional information regarding the circumstances leading to the commencement
4 of the Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is
5 set forth in the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and*
6 *Related Relief* [Docket No. 263] (the “**Wells Declaration**”).

7 **III. RELIEF REQUESTED IN THE TUBBS SETTLEMENT MOTION¹**

8 The Tubbs Settlement Motion seeks entry of an order authorizing the Debtors to
9 enter into the Tubbs Settlements with the Tubbs Preference Claimants. The Tubbs Settlements are
10 an integral element and requirement of the Tort Claimants RSA, which was approved by the Court
11 on December 17, 2019. The Tubbs Settlements settle and liquidate the claims of the Tubbs
12 Preference Claimants by allowing each of the claims at the agreed-upon settlement amount reflected
13 in the relevant agreement, as described in further detail in the Tubbs Settlement Motion. Each of the
14 settled claims is to be channeled to, paid, and resolved solely by the Fire Victim Trust, in accordance
15 with the terms and procedures of the Fire Victim Trust to be established pursuant to the Debtors’
16 Amended Plan. Importantly, the Tubbs Settlements do not increase the consideration to be funded
17 by the Debtors to the Fire Victim Trust under the Amended Plan.

18 Additionally, the Tubbs Settlements provide for the dismissal of the Tubbs Cases.
19 Upon the effective date of the Tubbs Settlements, after Court approval, counsel for the Tubbs
20 Preference Claimants will execute a request for dismissal, with prejudice, of the Tubbs Cases and
21 deliver the executed request to the Debtors, which the Debtors will file with the State Court.

22 **IV. SHORTENING TIME FOR HEARING ON THE TUBBS SETTLEMENT MOTION** 23 **IS WARRANTED**

24 Pursuant to Bankruptcy Local Rule 9014-1(b)(3)(A), a hearing on the Tubbs
25 Settlement Motion requires twenty-one (21) days’ notice of an opportunity for a hearing.

26
27 ¹ Capitalized terms used but not herein defined shall have the meanings ascribed to them in the
28 Tubbs Settlement Motion or the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated December 12, 2019* [Docket No. 5101] (the “**Amended Plan**”), as applicable.

1 Bankruptcy Local Rule 9006-1(a) provides that, except as set forth therein, “approval of the Court
2 is required to enlarge or to shorten time to perform any act or file any paper pursuant to the Federal
3 Rules of Civil Procedures, the Bankruptcy Rules, or these Bankruptcy Local Rules.” B.L.R. 9006-
4 1(a).

5 On December 9, 2019, the Debtors filed a motion seeking approval of the Tort
6 Claimants RSA (the “**Tort Claimants RSA Motion**”) and a motion seeking a hearing on the Tort
7 Claimants RSA Motion on shortened notice. On December 10, 2019, the Court granted the Debtors’
8 motion to hear the Tort Claimants RSA Motion on shortened notice. A week later, on December
9 17, 2019, the Court held a hearing to consider the Tort Claimants RSA Motion and approved the
10 Tort Claimants RSA. The Court issued a formal order authorizing the Debtors to enter into the Tort
11 Claimants RSA and approving the terms of the Tort Claimants RSA on December 19, 2019 [Docket
12 No. 5174].

13 As discussed in the Tort Claimants RSA Motion and the Tubbs Settlement Motion,
14 the Tort Claimants RSA represents a monumental step in these Chapter 11 Cases and incorporates
15 the terms of a comprehensive, carefully negotiated settlement, of which an integral component is
16 the resolution of the pending wildfire claims estimation proceedings before the District Court for
17 the Northern District of California and, relatedly, the state court cases of the Tubbs Preference
18 Claimants (the “**Tubbs Cases**”). Indeed, parties negotiated express language in the Tort Claimants
19 RSA requiring the Debtors to “*promptly*” enter into settlement discussions with the Tubbs
20 Preference Claimants, to settle the claims, and, once settled, requiring the Debtors “file a motion
21 with the Bankruptcy Court *on shortened notice* seeking approval of the [Tubbs Settlements].” Tort
22 Claimants RSA §§ 2(a), (h) (emphasis added). Absent the Tort Claimants RSA and a satisfactory
23 resolution of the Tubbs Cases as required therein, a jury trial in the Tubbs Cases was set to begin
24 imminently, with jury selection scheduled for January 7, 2020.

25 Consistent with their obligations under the Tort Claimants RSA, upon its execution,
26 the Debtors promptly entered into settlement discussions with the Tubbs Preference Claimants,
27 which culminated in the Debtors and each of the Tubbs Preference Claimants entering into
28 settlement agreements to resolve the Tubbs Cases and the claims asserted against the Debtors. In

1 further compliance with their obligations under the Tort Claimants RSA, the Debtors now seek
2 shortened notice of the Tubbs Settlement Motion.

3 The Debtors respectfully submit that shortening the notice period by six (6) days is
4 necessary to provide certainty to all parties as soon as possible regarding whether the Tubbs Cases
5 are fully resolved, as provided in the Tort Claimants RSA. To the extent the Tubbs Settlements are
6 not approved by this Court, the parties will need to immediately redeploy substantial resources to
7 prepare for a costly and time-consuming trial. As noted in the Loduca Declaration, the Tubbs Cases
8 involve 18 different damage claims and 50 individual claimants. Loduca Decl. at ¶12. Fact and
9 expert discovery has not yet been completed and the parties anticipated an 8-week trial. *Id.* On the
10 other hand, prompt approval of the Tubbs Settlements as provided in the Tort Claimants RSA will
11 allow the Debtors to expedite the chapter 11 plan confirmation timeline, their successful emergence
12 from chapter 11, and distributions to fire victims. Shortening time for a hearing on the Tubbs
13 Settlement Motion will save the Debtors and their estates significant time and attorneys' fees that
14 would otherwise be devoted to preparing for the contingency of a Tubbs jury trial, and allow the
15 Debtors and their professionals to turn their full efforts toward expeditiously confirming the
16 Debtors' Amended Plan well within the deadline established by AB 1054.

17 Most recently, this Court granted an expedited hearing to consider the Tort Claimants
18 RSA Motion for substantially the same reasons. *See* Docket Nos. 5040, 5046. Expedited
19 consideration of the Tubbs Settlement Motion is likewise warranted.

20 Based on the foregoing, the Debtors request that notice be shortened to permit the
21 Tubbs Settlement Motion to be heard on January 21, 2020, at 10:00 a.m. (prevailing Pacific Time),
22 and for written objections, if any, to be filed and served by 4:00 p.m. (prevailing Pacific Time) on
23 January 15, 2020. As stated in the Liou Declaration, the Debtors previewed the relief requested in
24 this Motion to Shorten with the TCC and the TCC consents to the relief sought herein. The Debtors
25 also sought consent from the U.S. Trustee and Creditors Committee to the relief requested in this
26 Motion to Shorten, however, the U.S. Trustee and Creditors Committee have not yet provided their
27 consent. In view of the foregoing, the Debtors believe more than ample cause exists to grant the
28 relief requested herein.

1 **V. NOTICE**

2 Notice of this Motion to Shorten will be provided to (i) the Office of the United
3 States Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (ii) counsel
4 to the Creditors Committee; (iii) counsel to the TCC; (iv) the Securities and Exchange Commission;
5 (v) the Internal Revenue Service; (vi) the Office of the California Attorney General; (vii) the
6 California Public Utilities Commission; (viii) the Nuclear Regulatory Commission; (ix) the Federal
7 Energy Regulatory Commission; (x) the Office of the United States Attorney for the Northern
8 District of California; (xi) counsel for the agent under the Debtors' debtor in possession financing
9 facility; (xii) Counsel for the Tubbs Preference Claimants; and (xiii) those persons who have
10 formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule
11 2002. The Debtors respectfully submit that no further notice is required.

12 No previous request for the relief sought herein has been made by the Debtors to this
13 or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: January 6, 2020

WEIL, GOTSHAL & MANGES LLP
CRAVATH SWAINE & MOORE LLP
KELLER & BENVENUTTI LLP

/s/ Jessica Liou

Jessica Liou

Attorneys for Debtors and Debtors in Possession